

AMENDED IN ASSEMBLY JANUARY 6, 2014

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 1172**

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**Introduced by Assembly Member Bocanegra**

February 22, 2013

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An act to ~~amend Section 69.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy add and repeal Section 169.5 of the Revenue and Taxation Code, relating to taxation.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 1172, as amended, Bocanegra. Property tax: ~~intercounty base year value transfers; portability study.~~

*The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution authorizes the Legislature to provide that a severely disabled person and a person over 55 years of age may transfer the base year value, as defined, of property that is eligible for the homeowners' property tax exemption to a replacement dwelling that is of equal or lesser value located within the same county as the property from which the base year value is transferred, and if a county ordinance so providing has been adopted, to a replacement dwelling that is located in a different county.*

*This bill would require the California Research Bureau to provide the Legislature, on or before December 1, 2015, with a report regarding the revenue impact of Florida's "Save Our Homes" portability law, which allows a homeowner to transfer the difference between market value and assessed value from one home to another, and the potential state and local revenue impacts of the enactment of a similar statute in California.*

~~The California Constitution authorizes the Legislature to provide that a person who is either severely disabled or over the age of 55 years may transfer the base year value, as defined, of property that is eligible for the homeowners' property tax exemption to a replacement dwelling that is of equal or lesser value located within the same county as the property from which the base year value is transferred, and if a county ordinance so providing has been adopted, to a replacement dwelling that is located in a different county.~~

~~This bill would authorize any person over the age of 65 years to transfer the base year value of an original property to a replacement dwelling located in a different county without the adoption of a county ordinance so providing. This bill would require this provision to be applied only to intercounty transfers of base year value that occur on or after January 1, 2014.~~

~~By changing the manner in which local assessors assess property for property taxation purposes, this bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

~~Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.~~

~~This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.~~

~~This bill would take effect immediately as a tax levy, but would become operative only if Assembly Constitutional Amendment \_\_\_\_\_ of the 2013-14 Regular Session is approved by the voters.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~yes~~-no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 169.5 is added to the Revenue and~~  
2     ~~Taxation Code, to read:~~

3     ~~169.5. (a) On or before December 1, 2015, the California~~  
4     ~~Research Bureau shall provide the Legislature with a report~~  
5     ~~regarding Florida's "Save Our Homes" portability statute (Fla.~~  
6     ~~Stat. Sec. 193.155(8)), evaluating the impact of the statute on~~  
7     ~~Florida's state and local revenue and the potential revenue impacts~~  
8     ~~upon California if a similar statute were enacted within the state.~~

9     ~~(b) (1) A report to the Legislature pursuant to this section shall~~  
10    ~~be submitted in compliance with Section 9795 of the Government~~  
11    ~~Code.~~

12    ~~(2) Pursuant to Section 10231.5 of the Government Code, this~~  
13    ~~section is repealed on December 1, 2019.~~

14    ~~SECTION 1. Section 69.5 of the Revenue and Taxation Code~~  
15    ~~is amended to read:~~

16    ~~69.5. (a) (1) Notwithstanding any other provision of law,~~  
17    ~~pursuant to subdivision (a) of Section 2 of Article XIII A of the~~  
18    ~~California Constitution, any person over the age of 55 years, or~~  
19    ~~any severely and permanently disabled person, who resides in~~  
20    ~~property that is eligible for the homeowners' exemption under~~  
21    ~~subdivision (k) of Section 3 of Article XIII of the California~~  
22    ~~Constitution and Section 218 may transfer, subject to the conditions~~  
23    ~~and limitations provided in this section, the base year value of that~~  
24    ~~property to any replacement dwelling of equal or lesser value that~~  
25    ~~is located within the same county and is purchased or newly~~  
26    ~~constructed by that person as his or her principal residence within~~  
27    ~~two years of the sale by that person of the original property,~~  
28    ~~provided that the base year value of the original property shall not~~  
29    ~~be transferred to the replacement dwelling until the original~~  
30    ~~property is sold.~~

31    ~~(2) Notwithstanding the limitation in paragraph (1) requiring~~  
32    ~~that the original property and the replacement dwelling be located~~

1 in the same county, this limitation shall not apply in either of the  
2 following circumstances:

3 (A) In any county in which the county board of supervisors,  
4 after consultation with local affected agencies within the boundaries  
5 of the county, adopts an ordinance making the provisions of  
6 paragraph (1) also applicable to situations in which replacement  
7 dwellings are located in that county and the original properties are  
8 located in another county within this state. The authorization  
9 contained in this paragraph shall be applicable in a county only if  
10 the ordinance adopted by the board of supervisors complies with  
11 all of the following requirements:

12 (i) It is adopted only after consultation between the board of  
13 supervisors and all other local affected agencies within the county's  
14 boundaries:

15 (ii) It requires that all claims for transfers of base year value  
16 from original property located in another county be granted if the  
17 claims meet the applicable requirements of both subdivision (a)  
18 of Section 2 of Article XIII A of the California Constitution and  
19 this section:

20 (iii) It requires that all base year valuations of original property  
21 located in another county and determined by its assessor be  
22 accepted in connection with the granting of claims for transfers of  
23 base year value:

24 (iv) It provides that its provisions are operative for a period of  
25 not less than five years:

26 (v) The ordinance specifies the date on and after which its  
27 provisions shall be applicable. However, the date specified shall  
28 not be earlier than November 9, 1988. The specified applicable  
29 date may be a date earlier than the date the county adopts the  
30 ordinance:

31 (B) When any person over the age of 65 years transfers the base  
32 year value of an original property to a replacement dwelling. This  
33 subparagraph shall only apply to intercounty transfers of base year  
34 value that occur on or after January 1, 2014:

35 (b) In addition to meeting the requirements of subdivision (a),  
36 any person claiming the property tax relief provided by this section  
37 shall be eligible for that relief only if the following conditions are  
38 met:

39 (1) The claimant is an owner and a resident of the original  
40 property either at the time of its sale, or at the time when the

1 original property was substantially damaged or destroyed by  
2 misfortune or calamity, or within two years of the purchase or new  
3 construction of the replacement dwelling.

4 (2) The original property is eligible for the homeowners'  
5 exemption, as the result of the claimant's ownership and occupation  
6 of the property as his or her principal residence, either at the time  
7 of its sale, or at the time when the original property was  
8 substantially damaged or destroyed by misfortune or calamity, or  
9 within two years of the purchase or new construction of the  
10 replacement dwelling.

11 (3) At the time of the sale of the original property, the claimant  
12 or the claimant's spouse who resides with the claimant is at least  
13 55 years of age, or is severely and permanently disabled.

14 (4) At the time of claiming the property tax relief provided by  
15 subdivision (a), the claimant is an owner of a replacement dwelling  
16 and occupies it as his or her principal place of residence and, as a  
17 result thereof, the property is currently eligible for the homeowners'  
18 exemption or would be eligible for the exemption except that the  
19 property is already receiving the exemption because of an  
20 exemption claim filed by the previous owner.

21 (5) The original property of the claimant is sold by him or her  
22 within two years of the purchase or new construction of the  
23 replacement dwelling. For purposes of this paragraph, the purchase  
24 or new construction of the replacement dwelling includes the  
25 purchase of that portion of land on which the replacement building,  
26 structure, or other shelter constituting a place of abode of the  
27 claimant will be situated and that, pursuant to paragraph (3) of  
28 subdivision (g), constitutes a part of the replacement dwelling.

29 (6) Except as otherwise provided in paragraph (2) of subdivision  
30 (a), the replacement dwelling, including that portion of land on  
31 which it is situated that is specified in paragraph (5), is located  
32 entirely within the same county as the claimant's original property.

33 (7) The claimant has not previously been granted, as a claimant,  
34 the property tax relief provided by this section, except that this  
35 paragraph shall not apply to any person who becomes severely  
36 and permanently disabled subsequent to being granted, as a  
37 claimant, the property tax relief provided by this section for any  
38 person over the age of 55 years. In order to prevent duplication of  
39 claims under this section within this state, county assessors shall  
40 report quarterly to the State Board of Equalization that information

1 from claims filed in accordance with subdivision (f) and from  
2 county records as is specified by the board necessary to identify  
3 fully all claims under this section allowed by assessors and all  
4 claimants who have thereby received relief. The board may specify  
5 that the information include all or a part of the names and social  
6 security numbers of claimants and their spouses and the identity  
7 and location of the replacement dwelling to which the claim  
8 applies. The information may be required in the form of data  
9 processing media or other media and in a format that is compatible  
10 with the recordkeeping processes of the counties and the auditing  
11 procedures of the state.

12 (e) The property tax relief provided by this section shall be  
13 available if the original property or the replacement dwelling, or  
14 both, of the claimant includes, but is not limited to, either of the  
15 following:

16 (1) A unit or lot within a cooperative housing corporation, a  
17 community apartment project, a condominium project, or a planned  
18 unit development. If the unit or lot constitutes the original property  
19 of the claimant, the assessor shall transfer to the claimant's  
20 replacement dwelling only the base year value of the claimant's  
21 unit or lot and his or her share in any common area reserved as an  
22 appurtenance of that unit or lot. If the unit or lot constitutes the  
23 replacement dwelling of the claimant, the assessor shall transfer  
24 the base year value of the claimant's original property only to the  
25 unit or lot of the claimant and any share of the claimant in any  
26 common area reserved as an appurtenance of that unit or lot.

27 (2) A manufactured home or a manufactured home and any land  
28 owned by the claimant on which the manufactured home is situated.  
29 For purposes of this paragraph, "land owned by the claimant"  
30 includes a pro rata interest in a resident-owned mobilehome park  
31 that is assessed pursuant to subdivision (b) of Section 62.1.

32 (A) If the manufactured home or the manufactured home and  
33 the land on which it is situated constitutes the claimant's original  
34 property, the assessor shall transfer to the claimant's replacement  
35 dwelling either the base year value of the manufactured home or  
36 the base year value of the manufactured home and the land on  
37 which it is situated, as appropriate. If the manufactured home  
38 dwelling that constitutes the original property of the claimant  
39 includes an interest in a resident-owned mobilehome park, the  
40 assessor shall transfer to the claimant's replacement dwelling the

1 base year value of the claimant's manufactured home and his or  
2 her pro rata portion of the real property of the park. No transfer of  
3 base year value shall be made by the assessor of that portion of  
4 land that does not constitute a part of the original property, as  
5 provided in paragraph (4) of subdivision (g).

6 ~~(B) If the manufactured home or the manufactured home and~~  
7 ~~the land on which it is situated constitutes the claimant's~~  
8 ~~replacement dwelling, the assessor shall transfer the base year~~  
9 ~~value of the claimant's original property either to the manufactured~~  
10 ~~home or the manufactured home and the land on which it is~~  
11 ~~situated, as appropriate. If the manufactured home dwelling that~~  
12 ~~constitutes the replacement dwelling of the claimant includes an~~  
13 ~~interest in a resident-owned mobilehome park, the assessor shall~~  
14 ~~transfer the base year value of the claimant's original property to~~  
15 ~~the manufactured home of the claimant and his or her pro rata~~  
16 ~~portion of the park. No transfer of base year value shall be made~~  
17 ~~by the assessor to that portion of land that does not constitute a~~  
18 ~~part of the replacement dwelling, as provided in paragraph (3) of~~  
19 ~~subdivision (g).~~

20 This subdivision shall be subject to the limitations specified in  
21 subdivision (d).

22 ~~(d) The property tax relief provided by this section shall be~~  
23 ~~available to a claimant who is the coowner of the original property,~~  
24 ~~as a joint tenant, a tenant in common, a community property owner,~~  
25 ~~or a present beneficiary of a trust subject to the following~~  
26 ~~limitations:~~

27 ~~(1) If a single replacement dwelling is purchased or newly~~  
28 ~~constructed by all of the coowners and each coowner retains an~~  
29 ~~interest in the replacement dwelling, the claimant shall be eligible~~  
30 ~~under this section whether or not any or all of the remaining~~  
31 ~~coowners would otherwise be eligible claimants.~~

32 ~~(2) If two or more replacement dwellings are separately~~  
33 ~~purchased or newly constructed by two or more coowners and~~  
34 ~~more than one coowner would otherwise be an eligible claimant,~~  
35 ~~only one coowner shall be eligible under this section. These~~  
36 ~~coowners shall determine by mutual agreement which one of them~~  
37 ~~shall be deemed eligible.~~

38 ~~(3) If two or more replacement dwellings are separately~~  
39 ~~purchased or newly constructed by two coowners who held the~~  
40 ~~original property as community property, only the coowner who~~

1 has attained the age of 55 years, or is severely and permanently  
2 disabled, shall be eligible under this section. If both spouses are  
3 over 55 years of age, they shall determine by mutual agreement  
4 which one of them is eligible.

5 In the case of coowners whose original property is a multiunit  
6 dwelling, the limitations imposed by paragraphs (2) and (3) shall  
7 only apply to coowners who occupied the same dwelling unit  
8 within the original property at the time specified in paragraph (2)  
9 of subdivision (b).

10 (e) Upon the sale of original property, the assessor shall  
11 determine a new base year value for that property in accordance  
12 with subdivision (a) of Section 2 of Article XIII A of the California  
13 Constitution and Section 110.1, whether or not a replacement  
14 dwelling is subsequently purchased or newly constructed by the  
15 former owner or owners of the original property.

16 This section shall not apply unless the transfer of the original  
17 property is a change in ownership that either (1) subjects that  
18 property to reappraisal at its current fair market value in accordance  
19 with Section 110.1 or 5803 or (2) results in a base year value  
20 determined in accordance with this section, Section 69, or Section  
21 69.3 because the property qualifies under this section, Section 69,  
22 or Section 69.3 as a replacement dwelling or property.

23 (f) (1) A claimant shall not be eligible for the property tax relief  
24 provided by this section unless the claimant provides to the  
25 assessor, on a form that shall be designed by the State Board of  
26 Equalization and that the assessor shall make available upon  
27 request, the following information:

28 (A) The name and social security number of each claimant and  
29 of any spouse of the claimant who is a record owner of the  
30 replacement dwelling.

31 (B) Proof that the claimant or the claimant's spouse who resided  
32 on the original property with the claimant was, at the time of its  
33 sale, at least 55 years of age, or severely and permanently disabled.  
34 Proof of severe and permanent disability shall be considered a  
35 certification, signed by a licensed physician and surgeon of  
36 appropriate specialty, attesting to the claimant's severely and  
37 permanently disabled condition. In the absence of available proof  
38 that a person is over 55 years of age, the claimant shall certify  
39 under penalty of perjury that the age requirement is met. In the



1 case of a severely and permanently disabled claimant either of the  
2 following shall be submitted:

3 (i) ~~A certification, signed by a licensed physician or surgeon of~~  
4 ~~appropriate specialty that identifies specific reasons why the~~  
5 ~~disability necessitates a move to the replacement dwelling and the~~  
6 ~~disability-related requirements, including any locational~~  
7 ~~requirements, of a replacement dwelling. The claimant shall~~  
8 ~~substantiate that the replacement dwelling meets disability-related~~  
9 ~~requirements so identified and that the primary reason for the move~~  
10 ~~to the replacement dwelling is to satisfy those requirements. If the~~  
11 ~~claimant, or the claimant's spouse or guardian, so declares under~~  
12 ~~penalty of perjury, it shall be rebuttably presumed that the primary~~  
13 ~~purpose of the move to the replacement dwelling is to satisfy~~  
14 ~~identified disability-related requirements.~~

15 (ii) ~~The claimant's substantiation that the primary purpose of~~  
16 ~~the move to the replacement dwelling is to alleviate financial~~  
17 ~~burdens caused by the disability. If the claimant, or the claimant's~~  
18 ~~spouse or guardian, so declares under penalty of perjury, it shall~~  
19 ~~be rebuttably presumed that the primary purpose of the move is~~  
20 ~~to alleviate the financial burdens caused by the disability.~~

21 (C) ~~The address and, if known, the assessor's parcel number of~~  
22 ~~the original property.~~

23 (D) ~~The date of the claimant's sale of the original property and~~  
24 ~~the date of the claimant's purchase or new construction of a~~  
25 ~~replacement dwelling.~~

26 (E) ~~A statement by the claimant that he or she occupied the~~  
27 ~~replacement dwelling as his or her principal place of residence on~~  
28 ~~the date of the filing of his or her claim.~~

29 (F) ~~Any claim under this section shall be filed within three years~~  
30 ~~of the date the replacement dwelling was purchased or the new~~  
31 ~~construction of the replacement dwelling was completed subject~~  
32 ~~to subdivision (k) or (m).~~

33 (2) ~~A claim for transfer of base year value under this section~~  
34 ~~that is filed after the expiration of the filing period set forth in~~  
35 ~~subparagraph (F) of paragraph (1) shall be considered by the~~  
36 ~~assessor, subject to all of the following conditions:~~

37 (A) ~~Any base year value transfer granted pursuant to that claim~~  
38 ~~shall apply commencing with the lien date of the assessment year~~  
39 ~~in which the claim is filed.~~

1     ~~(B) The full cash value of the replacement property in the~~  
2     ~~assessment year described in subparagraph (A) shall be the base~~  
3     ~~year value of the real property in the assessment year in which the~~  
4     ~~base year value was transferred, factored to the assessment year~~  
5     ~~described in subparagraph (A) for both of the following:~~

6     ~~(i) Inflation as annually determined in accordance with~~  
7     ~~paragraph (1) of subdivision (a) of Section 51.~~

8     ~~(ii) Any subsequent new construction occurring with respect to~~  
9     ~~the subject real property that does not qualify for property tax relief~~  
10    ~~pursuant to the criteria set forth in subparagraphs (A) and (B) of~~  
11    ~~paragraph (4) of subdivision (h).~~

12    ~~(g) For purposes of this section:~~

13    ~~(1) “Person over the age of 55 years” means any person or the~~  
14    ~~spouse of any person who has attained the age of 55 years or older~~  
15    ~~at the time of the sale of the original property.~~

16    ~~(2) “Base year value of the original property” means its base~~  
17    ~~year value, as determined in accordance with Section 110.1, with~~  
18    ~~the adjustments permitted by subdivision (b) of Section 2 of Article~~  
19    ~~XIII A of the California Constitution and subdivision (f) of Section~~  
20    ~~110.1, determined as of the date immediately prior to the date that~~  
21    ~~the original property is sold by the claimant, or in the case where~~  
22    ~~the original property has been substantially damaged or destroyed~~  
23    ~~by misfortune or calamity and the owner does not rebuild on the~~  
24    ~~original property, determined as of the date immediately prior to~~  
25    ~~the misfortune or calamity.~~

26    ~~If the replacement dwelling is purchased or newly constructed~~  
27    ~~after the transfer of the original property, “base year value of the~~  
28    ~~original property” also includes any inflation factor adjustments~~  
29    ~~permitted by subdivision (f) of Section 110.1 for the period~~  
30    ~~subsequent to the sale of the original property. The base year or~~  
31    ~~years used to compute the “base year value of the original property”~~  
32    ~~shall be deemed to be the base year or years of any property to~~  
33    ~~which that base year value is transferred pursuant to this section.~~

34    ~~(3) “Replacement dwelling” means a building, structure, or~~  
35    ~~other shelter constituting a place of abode, whether real property~~  
36    ~~or personal property, that is owned and occupied by a claimant as~~  
37    ~~his or her principal place of residence, and any land owned by the~~  
38    ~~claimant on which the building, structure, or other shelter is~~  
39    ~~situated. For purposes of this paragraph, land constituting a part~~  
40    ~~of a replacement dwelling includes only that area of reasonable~~

1 size that is used as a site for a residence, and “land owned by the  
2 claimant” includes land for which the claimant either holds a  
3 leasehold interest described in subdivision (c) of Section 61 or a  
4 land purchase contract. Each unit of a multiunit dwelling shall be  
5 considered a separate replacement dwelling. For purposes of this  
6 paragraph, “area of reasonable size that is used as a site for a  
7 residence” includes all land if any nonresidential uses of the  
8 property are only incidental to the use of the property as a  
9 residential site. For purposes of this paragraph, “land owned by  
10 the claimant” includes an ownership interest in a resident-owned  
11 mobilehome park that is assessed pursuant to subdivision (b) of  
12 Section 62.1.

13 (4) “Original property” means a building, structure, or other  
14 shelter constituting a place of abode, whether real property or  
15 personal property, that is owned and occupied by a claimant as his  
16 or her principal place of residence, and any land owned by the  
17 claimant on which the building, structure, or other shelter is  
18 situated. For purposes of this paragraph, land constituting a part  
19 of the original property includes only that area of reasonable size  
20 that is used as a site for a residence, and “land owned by the  
21 claimant” includes land for which the claimant either holds a  
22 leasehold interest described in subdivision (c) of Section 61 or a  
23 land purchase contract. Each unit of a multiunit dwelling shall be  
24 considered a separate original property. For purposes of this  
25 paragraph, “area of reasonable size that is used as a site for a  
26 residence” includes all land if any nonresidential uses of the  
27 property are only incidental to the use of the property as a  
28 residential site. For purposes of this paragraph, “land owned by  
29 the claimant” includes an ownership interest in a resident-owned  
30 mobilehome park that is assessed pursuant to subdivision (b) of  
31 Section 62.1.

32 (5) “Equal or lesser value” means that the amount of the full  
33 cash value of a replacement dwelling does not exceed one of the  
34 following:

35 (A) One hundred percent of the amount of the full cash value  
36 of the original property if the replacement dwelling is purchased  
37 or newly constructed prior to the date of the sale of the original  
38 property.

39 (B) One hundred and five percent of the amount of the full cash  
40 value of the original property if the replacement dwelling is

1 purchased or newly constructed within the first year following the  
2 date of the sale of the original property.

3 (C) One hundred and ten percent of the amount of the full cash  
4 value of the original property if the replacement dwelling is  
5 purchased or newly constructed within the second year following  
6 the date of the sale of the original property.

7 For the purposes of this paragraph, except as otherwise provided  
8 in paragraph (4) of subdivision (h), if the replacement dwelling is,  
9 in part, purchased and, in part, newly constructed, the date the  
10 “replacement dwelling is purchased or newly constructed” is the  
11 date of purchase or the date of completion of construction,  
12 whichever is later.

13 (6) “Full cash value of the replacement dwelling” means its full  
14 cash value, determined in accordance with Section 110.1, as of  
15 the date on which it was purchased or new construction was  
16 completed, and after the purchase or the completion of new  
17 construction.

18 (7) “Full cash value of the original property” means, either:

19 (A) Its new base year value, determined in accordance with  
20 subdivision (e), without the application of subdivision (h) of  
21 Section 2 of Article XIII A of the California Constitution, plus the  
22 adjustments permitted by subdivision (b) of Section 2 of Article  
23 XIII A and subdivision (f) of Section 110.1 for the period from the  
24 date of its sale by the claimant to the date on which the replacement  
25 property was purchased or new construction was completed.

26 (B) In the case where the original property has been substantially  
27 damaged or destroyed by misfortune or calamity and the owner  
28 does not rebuild on the original property, its full cash value, as  
29 determined in accordance with Section 110, immediately prior to  
30 its substantial damage or destruction by misfortune or calamity,  
31 as determined by the county assessor of the county in which the  
32 property is located, without the application of subdivision (h) of  
33 Section 2 of Article XIII A of the California Constitution, plus the  
34 adjustments permitted by subdivision (b) of Section 2 of Article  
35 XIII A of the California Constitution and subdivision (f) of Section  
36 110.1, for the period from the date of its sale by the claimant to  
37 the date on which the replacement property was purchased or new  
38 construction was completed.

39 (8) “Sale” means any change in ownership of the original  
40 property for consideration.

1     ~~(9) “Claimant” means any person claiming the property tax~~  
2 ~~relief provided by this section. If a spouse of that person is a record~~  
3 ~~owner of the replacement dwelling, the spouse is also a claimant~~  
4 ~~for purposes of determining whether in any future claim filed by~~  
5 ~~the spouse under this section the condition of eligibility specified~~  
6 ~~in paragraph (7) of subdivision (b) has been met.~~

7     ~~(10) “Property that is eligible for the homeowners’ exemption”~~  
8 ~~includes property that is the principal place of residence of its~~  
9 ~~owner and is entitled to exemption pursuant to Section 205.5.~~

10    ~~(11) “Person” means any individual, but does not include any~~  
11 ~~firm, partnership, association, corporation, company, or other legal~~  
12 ~~entity or organization of any kind. “Person” includes an individual~~  
13 ~~who is the present beneficiary of a trust.~~

14    ~~(12) “Severely and permanently disabled” means any person~~  
15 ~~described in subdivision (b) of Section 74.3.~~

16    ~~(13) For the purposes of this section, property is “substantially~~  
17 ~~damaged or destroyed by misfortune or calamity” if either the land~~  
18 ~~or the improvements sustain physical damage amounting to more~~  
19 ~~than 50 percent of either the land’s or the improvement’s full cash~~  
20 ~~value immediately prior to the misfortune or calamity. Damage~~  
21 ~~includes a diminution in the value of property as a result of~~  
22 ~~restricted access to the property where the restricted access was~~  
23 ~~caused by the misfortune or calamity and is permanent in nature.~~

24    ~~(h) (1) Upon the timely filing of a claim described in~~  
25 ~~subparagraph (F) of paragraph (1) of subdivision (f), the assessor~~  
26 ~~shall adjust the new base year value of the replacement dwelling~~  
27 ~~in conformity with this section. This adjustment shall be made as~~  
28 ~~of the latest of the following dates:~~

29       ~~(A) The date the original property is sold.~~

30       ~~(B) The date the replacement dwelling is purchased.~~

31       ~~(C) The date the new construction of the replacement dwelling~~  
32 ~~is completed.~~

33    ~~(2) Any taxes that were levied on the replacement dwelling prior~~  
34 ~~to the filing of the claim on the basis of the replacement dwelling’s~~  
35 ~~new base year value, and any allowable annual adjustments thereto,~~  
36 ~~shall be canceled or refunded to the claimant to the extent that the~~  
37 ~~taxes exceed the amount that would be due when determined on~~  
38 ~~the basis of the adjusted new base year value.~~

39    ~~(3) Notwithstanding Section 75.10, Chapter 3.5 (commencing~~  
40 ~~with Section 75) shall be utilized for purposes of implementing~~

1 this subdivision, including adjustments of the new base year value  
2 of replacement dwellings acquired prior to the sale of the original  
3 property.

4 (4) In the case where a claim under this section has been timely  
5 filed and granted, and new construction is performed upon the  
6 replacement dwelling subsequent to the transfer of base year value,  
7 the property tax relief provided by this section also shall apply to  
8 the replacement dwelling, as improved, and thus there shall be no  
9 reassessment upon completion of the new construction if both of  
10 the following conditions are met:

11 (A) The new construction is completed within two years of the  
12 date of the sale of the original property and the owner notifies the  
13 assessor in writing of completion of the new construction within  
14 six months after completion.

15 (B) The fair market value of the new construction on the date  
16 of completion, plus the full cash value of the replacement dwelling  
17 on the date of acquisition, is not more than the full cash value of  
18 the original property as determined pursuant to paragraph (7) of  
19 subdivision (g) for purposes of granting the original claim.

20 (i) Any claimant may rescind a claim for the property tax relief  
21 provided by this section and shall not be considered to have  
22 received that relief for purposes of paragraph (7) of subdivision  
23 (b), and the assessor shall grant the rescission, if a written notice  
24 of rescission is delivered to the office of the assessor as follows:

25 (1) A written notice of rescission signed by the original filing  
26 claimant or claimants is delivered to the office of the assessor in  
27 which the original claim was filed.

28 (2) (A) Except as otherwise provided in this paragraph, the  
29 notice of rescission is delivered to the office of the assessor before  
30 the date that the county first issues, as a result of relief granted  
31 under this section, a refund check for property taxes imposed upon  
32 the replacement dwelling. If granting relief will not result in a  
33 refund of property taxes, then the notice shall be delivered before  
34 payment is first made of any property taxes, or any portion thereof,  
35 imposed upon the replacement dwelling consistent with relief  
36 granted under this section. If payment of the taxes is not made,  
37 then notice shall be delivered before the first date that those  
38 property taxes, or any portion thereof, imposed upon the  
39 replacement dwelling, consistent with relief granted under this  
40 section, are delinquent.

~~(B) Notwithstanding any other provision in this division, any time the notice of rescission is delivered to the office of the assessor within six years after relief was granted, provided that the replacement property has been vacated as the claimant's principal place of residence within 90 days after the original claim was filed, regardless of whether the property continues to receive the homeowners' exemption. If the rescission increases the base year value of a property, or the homeowners' exemption has been incorrectly allowed, appropriate escape assessments or supplemental assessments, including interest as provided in Section 506, shall be imposed. The limitations periods for any escape assessments or supplemental assessments shall not commence until July 1 of the assessment year in which the notice of rescission is delivered to the office of the assessor.~~

~~(3) The notice is accompanied by the payment of a fee as the assessor may require, provided that the fee shall not exceed an amount reasonably related to the estimated cost of processing a rescission claim, including both direct costs and developmental and indirect costs, such as costs for overhead, personnel, supplies, materials, office space, and computers.~~

~~(j) (1) With respect to the transfer of base year value of original properties to replacement dwellings located in the same county, this section, except as provided in paragraph (3) or (4), shall apply to any replacement dwelling that is purchased or newly constructed on or after November 6, 1986.~~

~~(2) With respect to the transfer of base year value of original properties to replacement dwellings located in different counties, except as provided in paragraph (4), this section shall apply to any replacement dwelling that is purchased or newly constructed on or after the date specified in accordance with subparagraph (E) of paragraph (2) of subdivision (a) in the ordinance of the county in which the replacement dwelling is located, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988.~~

~~(3) With respect to the transfer of base year value by a severely and permanently disabled person, this section shall apply only to replacement dwellings that are purchased or newly constructed on or after June 6, 1990.~~

~~(4) The amendments made to subdivision (c) by the act adding this paragraph shall apply only to replacement dwellings under~~

~~Section 69 that are acquired or newly constructed on or after October 20, 1991, and shall apply commencing with the 1991-92 fiscal year.~~

~~(k) (1) In the case in which a county adopts an ordinance pursuant to paragraph (2) of subdivision (a) that establishes an applicable date which is more than three years prior to the date of adoption of the ordinance, those potential claimants who purchased or constructed replacement dwellings more than three years prior to the date of adoption of the ordinance and who would, therefore, be precluded from filing a timely claim, shall be deemed to have timely filed a claim if the claim is filed within three years after the date that the ordinance is adopted. This paragraph may not be construed as a waiver of any other requirement of this section.~~

~~(2) In the case in which a county assessor corrects a base year value to reflect a pro rata change in ownership of a resident-owned mobilehome park that occurred between January 1, 1989, and January 1, 2002, pursuant to paragraph (4) of subdivision (b) of Section 62.1, those claimants who purchased or constructed replacement dwellings more than three years prior to the correction and who would, therefore, be precluded from filing a timely claim, shall be deemed to have timely filed a claim if the claim is filed within three years of the date of notice of the correction of the base year value to reflect the pro rata change in ownership. This paragraph may not be construed as a waiver of any other requirement of this section.~~

~~(3) This subdivision does not apply to a claimant who has transferred his or her replacement dwelling prior to filing a claim.~~

~~(4) The property tax relief provided by this section, but filed under this subdivision, shall apply prospectively only, commencing with the lien date of the assessment year in which the claim is filed. There shall be no refund or cancellation of taxes prior to the date that the claim is filed.~~

~~(l) No escape assessment may be levied if a transfer of base year value under this section has been erroneously granted by the assessor pursuant to an expired ordinance authorizing intercounty transfers of base year value.~~

~~(m) (1) The amendments made to subdivisions (b) and (g) of this section by Chapter 613 of the Statutes of 2001 shall apply:~~

~~(A) With respect to the transfer of base year value of original properties to replacement dwellings located in the same county,~~



1 to any replacement dwelling that is purchased or newly constructed  
2 on or after November 6, 1986.

3 (B) With respect to the transfer of base year value of original  
4 properties to replacement dwellings located in different counties,  
5 to any replacement dwelling that is purchased or newly constructed  
6 on or after the date specified in accordance with subparagraph (E)  
7 of paragraph (2) of subdivision (a) in the ordinance of the county  
8 in which the replacement dwelling is located, but not to any  
9 replacement dwelling that was purchased or newly constructed  
10 before November 9, 1988.

11 (C) With respect to the transfer of base year value by a severely  
12 and permanently disabled person, to replacement dwellings that  
13 are purchased or newly constructed on or after June 6, 1990.

14 (2) The property tax relief provided by this section in accordance  
15 with this subdivision shall apply prospectively only commencing  
16 with the lien date of the assessment year in which the claim is  
17 filed. There shall be no refund or cancellation of taxes prior to the  
18 date that the claim is filed.

19 (n) A claim filed under this section is not a public document  
20 and is not subject to public inspection, except that a claim shall be  
21 available for inspection by the claimant or the claimant's spouse,  
22 the claimant's or the claimant's spouse's legal representative, the  
23 trustee of a trust in which the claimant or the claimant's spouse is  
24 a present beneficiary, and the executor or administrator of the  
25 claimant's or the claimant's spouse's estate.

26 (o) The amendments made to this section by the act adding this  
27 subdivision shall apply commencing with the lien date for the  
28 2012-13 fiscal year.

29 SEC. 2. If the Commission on State Mandates determines that  
30 this act contains costs mandated by the state, reimbursement to  
31 local agencies and school districts for those costs shall be made  
32 pursuant to Part 7 (commencing with Section 17500) of Division  
33 4 of Title 2 of the Government Code.

34 SEC. 3. Notwithstanding Section 2229 of the Revenue and  
35 Taxation Code, no appropriation is made by this act and the state  
36 shall not reimburse any local agency for any property tax revenues  
37 lost by it pursuant to this act.

38 SEC. 4. This act provides for a tax levy within the meaning of  
39 Article IV of the Constitution and shall go into immediate effect.  
40 However, the provisions of this act shall become operative only

- 1 ~~if Assembly Constitutional Amendment \_\_\_\_\_ of the 2013-14~~
- 2 ~~Regular Session is approved by the voters and, in that event, shall~~
- 3 ~~become operative on January 1, 2014.~~